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C O N F I D E N T I A L SECTION 01 OF 03 STATE 101698

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SUBJECT: ISN DEPUTY ASSISTANT SECRETARY HAYWARD'S MEETINGS
ON NUCLEAR NONPROLIFERATION, CAIRO, SEPTEMBER 8, 2008

Classified By: ISN DAS Mary Alice Hayward for reasons 1.4 (b) and (d)

11. (U) This is an action request. See para 3.

12. (C) SUMMARY: ISN DAS Mary Alice Hayward led a State Department team in September 8 meetings with Ambassador Naela Gabr (Assistant Minister), Khalid Shamaa (Deputy Assistant Minister), and other Egyptian officials to discuss Nuclear Nonproliferation Treaty (NPT), International Atomic Energy Agency (IAEA) General Conference (GC), and nuclear counter-terrorism issues. As expected, Gabr expressed Egyptian disappointment with the U.S. contribution to implementing the 1995 NPT Middle East Resolution, and Shamaa criticized the 2008 NPT Preparatory Committee (PrepCom) paper presented by the United States on the Middle East and nonproliferation for not explicitly calling on Israel to join the NPT. Hayward emphasized our strong desire for closer engagement with Egypt on NPT issues, indicated our desire to work on implementing the Resolution, and proposed a technical workshop involving Egypt, Israel, the United States, and possibly other Arab states. The Egyptians appeared guardedly interested in the workshop proposal, asking a number of questions. DAS Hayward said we would provide a non-paper on the subject. Gabr also said that Egypt will not accept linkage between the two proposed General Conference resolutions on the Middle East and that discussions with Israel in Vienna on the Egyptian-proposed resolution on safeguards in the region had not been productive, as Israel insisted on "killing amendments". Discussion indicated that Egypt is very reluctant to join the Global Initiative to Combat Nuclear Terrorism. END SUMMARY.

13. (SBU) ACTION REQUESTED: Based on Hayward's September 11 meeting in Jerusalem (septel), Post is requested to inform the appropriate GOE officials that the GOI is eager to meet bilaterally to discuss these issues. Post is also requested ask which GOE officials will attend the IAEA General Conference and the UN First Committee in October, noting the U.S. willingness to build upon the meetings in Cairo in the near future. END ACTION REQUEST.

(U) NUCLEAR NONPROLIFERATION TREATY

14. (C) ISN DAS Mary Alice Hayward - joined by Ambassador Marguerita Ragsdale (Director of ISN's Office of Multilateral Nuclear and Security Affairs (MNSA)) Scott Davis (MNSA Deputy Director), Jody Daniel (ISN's Regional Affairs Office) and Melissa Cline (Embassy Cairo) - met in Cairo with Ambassador Naela Gabr (Assistant Minister), Khalid Shamaa (Deputy Assistant Minister), Ahmed Al-Fadly (Counsellor), and Ahmed al-Shandalawy (Disarmament Affairs). Gabr began the meeting

by expressing Egyptian disappointment with the U.S. contribution to implementing the 1995 NPT Middle East Resolution and stating that the United States needs to show strong political will to achieve progress. Gabr said that Egypt cannot accept the U.S. position linking progress on the resolution to the Middle East peace process. Taking the opposite viewpoint, Gabr argued that a Middle East nuclear-free zone (MENWFZ), as a key confidence building measure, is a prerequisite for the peace in the region. (COMMENT: The 1995 NPT Resolution on the Middle East calls for a regional weapons-of-mass-destruction (WMD)-free zone, but Egypt usually talks about seeking a NWFZ. END COMMENT) Gabr said that Egypt does not want to see a repeat of the 2005 RevCon (which spent over two weeks agreeing on an agenda and did not adopt a final document) and wanted the third (2009) PrepCom in this review cycle to "prepare the ground" for the 2010 RevCon with "something concrete" that can "show the NPT is alive." She urged that we not give Iran "tools" to block the NPT process, something it did for over a week at the first (2007) PrepCom.

15. (C) Gabr went on to say that what Egypt needed most was a strong message from the United States expressing its political will to support the objectives of the 1995 Resolution on the Middle East. Noting that the Egyptian government must consider public opinion when forming its policies on nonproliferation issues, she stated that any initiative related to the 1995 Middle East resolution coming

STATE 00101698 002 OF 003

from the United States would be highly valued by the Egyptian people and the Middle East population as a whole.

16. (C) Hayward stated that the United States wants to build up our partnership with Egypt on nuclear nonproliferation issues and underscored the value we attach to Egypt's views on them. She assured our interlocutors of the high priority the United States attaches to the NPT and offered our commitment to a successful NPT review process. Hayward recognized Egypt's concern about Israeli nuclear activities and said that the United States will continue urging Israel to move forward in addressing these concerns. She stressed that ongoing dialogue between the U.S. and Egypt and Egypt and Israel is the only way to move this issue forward in a constructive way.

17. (C) Shamaa emphasized Egypt's desire for a regional security system that provides equal security for all states. He stated that the lack of an outcome of the 2005 RevCon means that U.S.-Egyptian consultations are even more necessary. He said Egypt shares U.S. concerns about non-compliance, adding that the increased tendency of parties to neglect their obligations makes the NPT less relevant. However, he argued, universal adherence to the Treaty is more important than compliance, since failure to gain universality limits the value of compliance. Shamaa complained that the U.S. paper for the second (2008) PrepCom mentions Israel only once and in connection with the peace process rather than with NPT universality or full-scope IAEA safeguards. He said that the United States needs to commit clearly and unequivocally to strengthening the NPT by emphasizing universality, calling on Israel to join the NPT, accept full-scope safeguards, and join in a MENWFZ.

18. (C) Hayward responded that the United States is willing to discuss how to work toward implementation of the 1995 Middle East resolution and that implementation will require "baby steps," and take time. One such baby step, she suggested, could be a technical workshop involving - at a minimum - scientists from Egypt, Israel, and the United States to discuss technical cooperation relevant to building confidence on regional security. Topics could include nuclear and border security, radiation detection, and consequence management. Gabr asked whether the workshop would be a substitute for major steps like Israeli acceptance of full-scope IAEA safeguards, and Hayward assured her that

is not intended to do so. Shamaa responded - incorrectly - that the U.S. proposal represents some form of nuclear cooperation with Israel, which he pointed out should not be done. Gabr asked for additional details, indicating that Egypt would "study" the proposal, and Hayward replied that the United States would provide a non-paper to help answer these questions. (COMMENT: This non-paper will be provided septel. END COMMENT)

¶9. (C) Gabr said that success in the NPT gives Egypt "strength" and reiterated its call for "steps to strengthen the credibility of the NPT" and "strong political signals." Shamaa opined that the necessary first step is for Israel to accept full-scope safeguards and questioned the U.S. commitment to the MENWFZ by citing a September 4 statement by the State Department spokesman. The U.S. delegation was not aware of this statement but assured the Egyptian side that the United States continues to support the 1995 Middle East resolution, including a Middle East WMD-free zone. (COMMENT: Based on what the spokesman actually said, which follows, Shamaa's suggestion seems unwarranted - Question: "(Syrian) President Asad said that it is time to talk about nuclear-free Middle East. What is U.S. position on that? Does the United States support this idea - nuclear free Middle East?" Mr. Wood: "Our policy is very clear on that. Obviously, that's something we would like to see. But we also have to take into account the political realities of the region. We'd eventually like to see something like that. But obviously, that's something that will have to be worked out politically in the region. There are certain political realities that have to be taken into account." END COMMENT)

¶10. (C) Shamaa went on to say that NPT papers are serious statements of policy and argued that the United States should give a clear statement of its policy on MENWFZ. In criticizing the U.S. paper submitted at the 2008 PrepCom, Shamaa said that instead of focusing solely on Iran and

STATE 00101698 003 OF 003

Syria, the U.S. needs to deliver a clear and unambiguous statement calling on Israel to adhere to the treaty and accept full-scope safeguards. He then asked how the third PrepCom can reach a substantive outcome. Hayward replied that we should try to make recommendations on NPT matters on which we can agree, even if we cannot agree on all of them. Shamaa seemed skeptical, replying that NPT parties register a vote of confidence in the Treaty when they achieve a final document and that it hurts the NPT when they do not, implying that agreement on everything is necessary for a final document. He also criticized the United States on Article VI grounds, asserting that as long as we keep nuclear weapons, we should not expect others not to pursue such weapons. El-Fadly said steps that can be taken toward a regional NWFZ prior to the achievement of Middle East peace have not been exhausted. He said Egypt asks why Israel needs a nuclear weapons capability if it does not help with the Israeli-Palestinian situation and when Israel is already under a U.S. nuclear umbrella. El-Fadly also accused the United States of parroting Israeli positions on these issues.

(U) IAEA GENERAL CONFERENCE RESOLUTIONS ON MIDDLE EAST ISSUES

¶11. (C) Gabr made clear that Egypt does not accept linkage between the two IAEA GC resolutions on Middle East issues and said that Cairo would value any initiative taken by the United States to resolve the matter. Hayward said that the United States believes the resolutions must be linked and that Egypt and Israel should engage directly on the GC resolutions. She suggested that Egypt's Ambassador to the IAEA, Ehab Fawzy, be given the authority to negotiate on their text in Vienna. Gabr said that Fawzy is empowered to "discuss and report back to Cairo." If he does not engage in negotiations with the Israelis on their proposed edits to the Egyptian-drafted Middle East safeguards resolution, which she characterized as "killing amendments," it is because he knows

they are not "workable" for the Minister of Foreign Affairs. Gabr added that Egypt's approach to the resolution is linked to the NPT.

(U) GLOBAL INITIATIVE TO COMBAT NUCLEAR TERRORISM

¶12. (C) Hayward urged Egypt to join the Global Initiative this year, adding that Egyptian leadership on combating nuclear terrorism would be an asset to the effort. She provided a package of material on the Initiative. Gabr said Egypt is "extremely cautious" about such cooperation, is accustomed to working within the UN framework, and prefers to do so. (COMMENT: After the meeting, El-Fadly told Davis that Egypt is not joining such initiatives because Israel has done nothing to join the nonproliferation regime. END COMMENT)
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